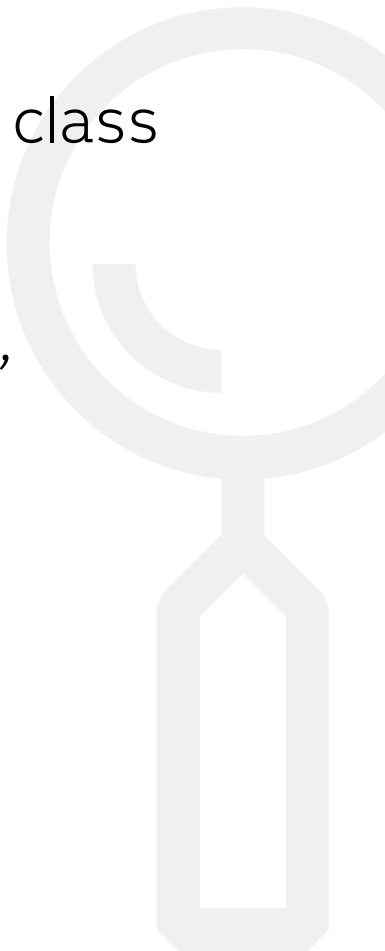




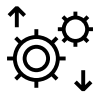
**ABB – a technology leader in
electrification and automation**

ABB

- 
1. Market leader with world class technology
 2. ABB Way – accountability, transparency and speed
 3. Increasing growth rates
 4. Improving performance
 5. Rewarding shareholders

We enable a more sustainable and resource-efficient future with our technology leadership in electrification and automation

Market leader with world class technology



No. 1 -2 market position



Cutting edge technology



Value through software



1

Market leader with world class technology



Business in **100+** countries

Factory footprint in **>40** countries

Service presence in **100+** countries

6,000+ channel partners globally

1. % of FY23 revenues

Market leader in our chosen fields

Electrification
Global No. 2



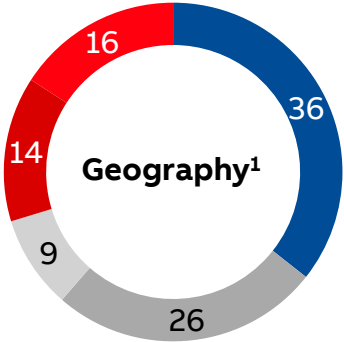
Motion
Global No. 1



Process Automation
Global No. 2



Robotics & Discrete Automation
Global No. 2



- Europe
- USA
- Rest of Americas
- China
- Rest of AMEA

Global No. 1-2 in Electrification & Automation

Market leadership resulting in strong economies of scale and pricing power

1

Market leader
with world class
technology



No. 1 -2 market
position



Cutting edge
technology



Value through
software

Deliver more value with
less input through a
sustainable use of
resources by utilization
of technology

Remain a **relevant** and
trusted partner for our
customers

Annual R&D investments of 4–5% of revenues

**>\$9.1
bn**

Total R&D spend 2016 - 2023
excluding PG



NeoGear™ LV switchgear

Safest switchgear ever made.
25% footprint reduction,
dissipates 20% less heat, 30%
operational cost reduction



EC Titanium integrated motor & drive package

World's most energy efficient
integrated motor & drive
package



SACE Infinitus

First certified solid-state circuit
breaker to enable the next
generation of safe, energy-
efficient DC power systems



Flexley Tug

Autonomous mobile robot
with minimum dimensions,
large capacity and great
maneuverability for
intralogistics towing
applications.



ABB Ability™ Genix

Applies the combined power of
industrial analytics and artificial
intelligence of assets and
plants – improving their safety,
productivity and sustainability



ACH580 ultra-low harmonics drives

Ultra-low harmonic drives
minimizing disturbances for
the grid, optimizing energy
efficiency and saving space in
buildings



Dynafin™ propulsion

Dynafin™ is a new concept
representing a revolutionary
propulsion system for medium-
sized and smaller vessels breaking
new ground for efficiency in the
marine industry, inspired by the
dynamic motions of a whale's tail

1

Market leader with world class technology



With a history of more than **140 years** ABB is a technology pioneer

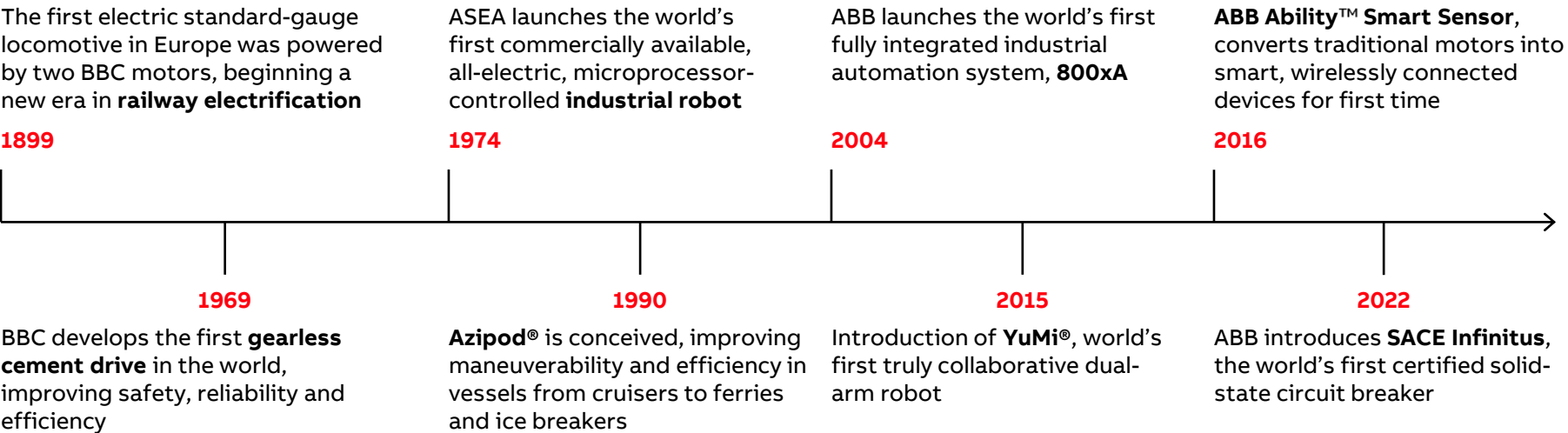
Innovation driven by deep application **know-how** due to decades-long presence in our chosen end-markets

Large installed base

1. % of FY23 revenues, management estimates.
T&I: Transport & Infrastructure

Deep understanding of customer needs

Select highlights of our history of innovation



Innovations fit for a broad industrial sales exposure¹



1

**Market leader
with world class
technology**



No. 1 -2 market
position



Cutting edge
technology



Value through
software

**Software embedded in
products** to create
customer value

~55%¹ of R&D employees
focused on digital

Value from software

- 1. Increase the digital content**
in our products to support
gross margin and industry
leadership in technology
- 2. Embedded software** enables
differentiation
- 3. Continue to develop**
Industrial Software and
Digital services organically
and make bolt-on
acquisitions:
 - Invest to create synergies
with our offering
 - Return on investment
 - Growth



1. Management estimates

1

Market leader with world class technology



No. 1 -2 market
position



Cutting edge
technology



Value through
software

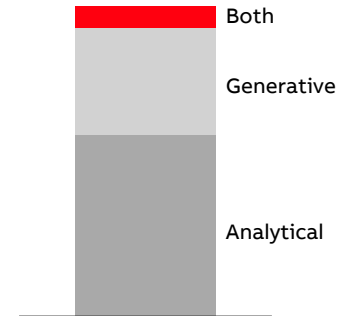
Robotics & Discrete Automation and Process Automation business areas use AI, digital connectivity and software to make robots smarter, accelerate automation and push the frontiers of technology. Motion is launching adaptive vibration control enabling high process performance, equipment maintenance and lifetime monitoring.

Value from software, including AI

Driving internal efficiencies



ABB AI activities by technology type



Innovating for our customers



+100 projects

HUMAN-MACHINE INTERACTION



Learning from
observation



Natural
language
instruction

NEW SKILLS



Item
picking



AMRs

INSIGHT GENERATION



Predictive
maintenance



Customer
chatbot

OPTIMIZATION



Energy
management



Genix






ABB Way – accountability, transparency and speed



**Leveraging on
decentralized operating model**



**Select common processes
in ABB Way**



**Strong performance
management system**



Accountability, transparency and speed



Leveraging on
decentralized
operating
model



Select common
processes in
ABB Way



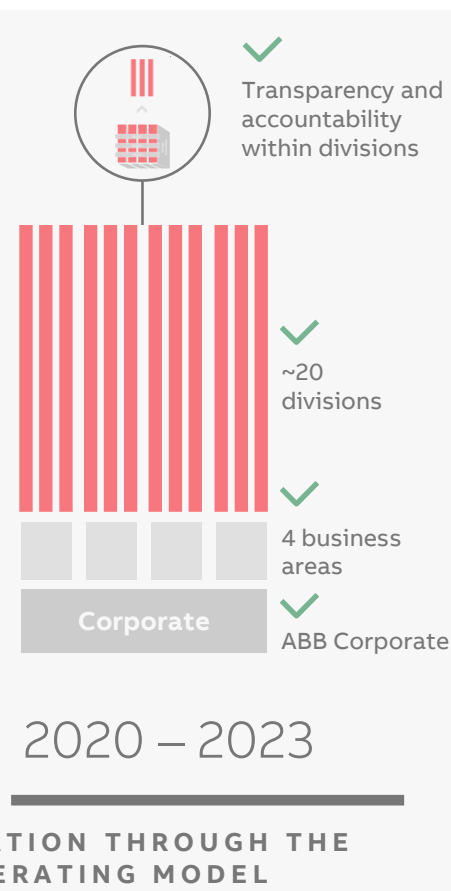
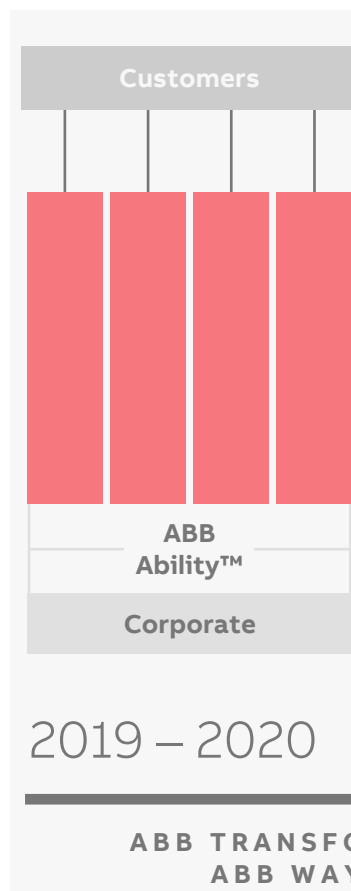
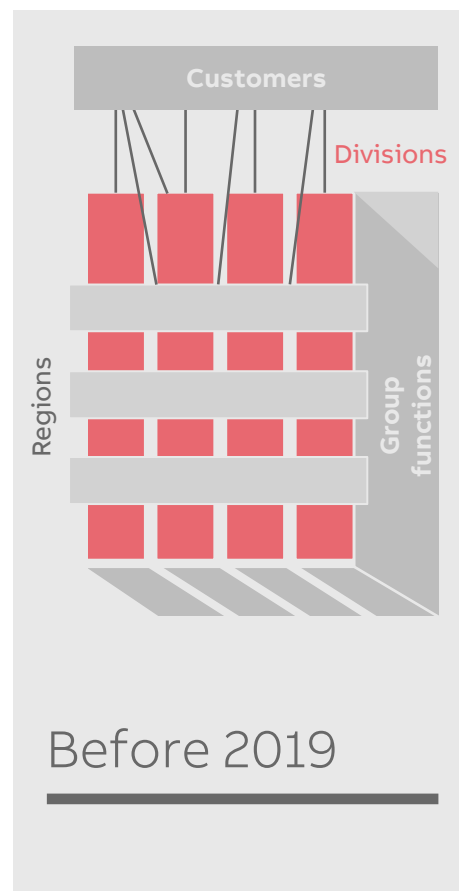
Strong
performance
management
system

Increasing growth by
leveraging on faster
decision-making closer to
the customers within
divisions

**Continuous
improvements** is a core
part of the firmly
cemented ABB Way
operating model

Cemented decentralized operating model

Increasing focus on growth as coming out
of the transformation phase



**Consistency in
operating model**



**Accelerating
growth**



**Continuous
improvements**

2024 –

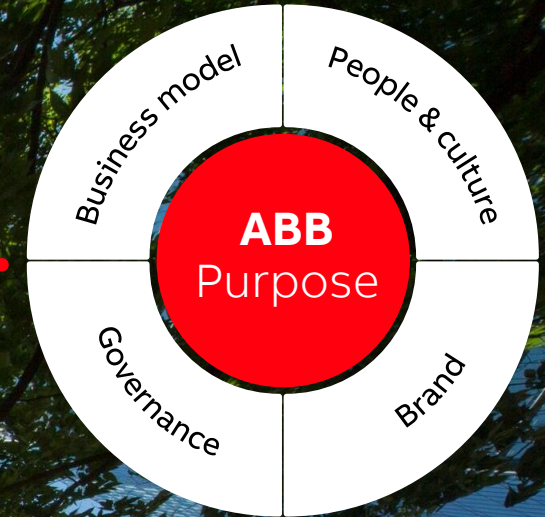
ABB TRANSFORMATION THROUGH THE
ABB WAY OPERATING MODEL

We have aligned the business portfolio to the ABB Purpose

We enable a more sustainable and resource-efficient future with our technology leadership in electrification and automation

Implemented the ABB Way operating model

- Operating decisions in the divisions, close to customers
Increased accountability, transparency and speed
- Performance culture
- Clarity on strategic mandate and target setting

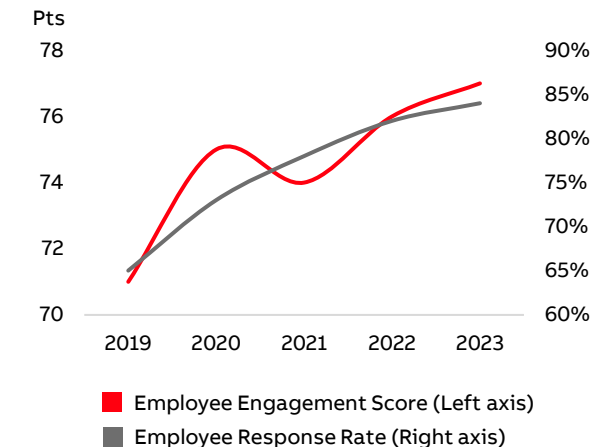


Exited ~\$1.8bn of revenues in three high performing divisions

- Mechanical Power Transmission, MO divestment
- Turbocharging (Accelleron), PA spin-off
- Power Conversion, EL divestment

Going forward, continuous pruning within divisions

Strong improvement in Employee Engagement Survey



Accountability,
transparency and
speed



Leveraging on
decentralized
operating
model



Select common
processes in
ABB Way



Strong
performance
management
system

Each business expected
to hold or achieve a
No. 1-2 market position
in their chosen segment

Continuous portfolio
reviews

~20 divisions with full operational accountability

Electrification



Distribution Solutions

Smart Power

Smart Buildings

Installation Products

Service

Motion



Drive Products

System Drives

Service

Traction

IEC LV Motors

Large Motors & Generators

NEMA Motors

Process Automation



Energy Industries

Process Industries

Marine & Ports

Measurement & Analytics

Robotics & Discrete Automation



Robotics

Machine Automation

Corporate & Other

E-mobility¹

1. Reported as part of Corporate and Other
as of Q1 2023

Accountability, transparency and speed



Leveraging on
decentralized
operating
model



Select common
processes in
ABB Way



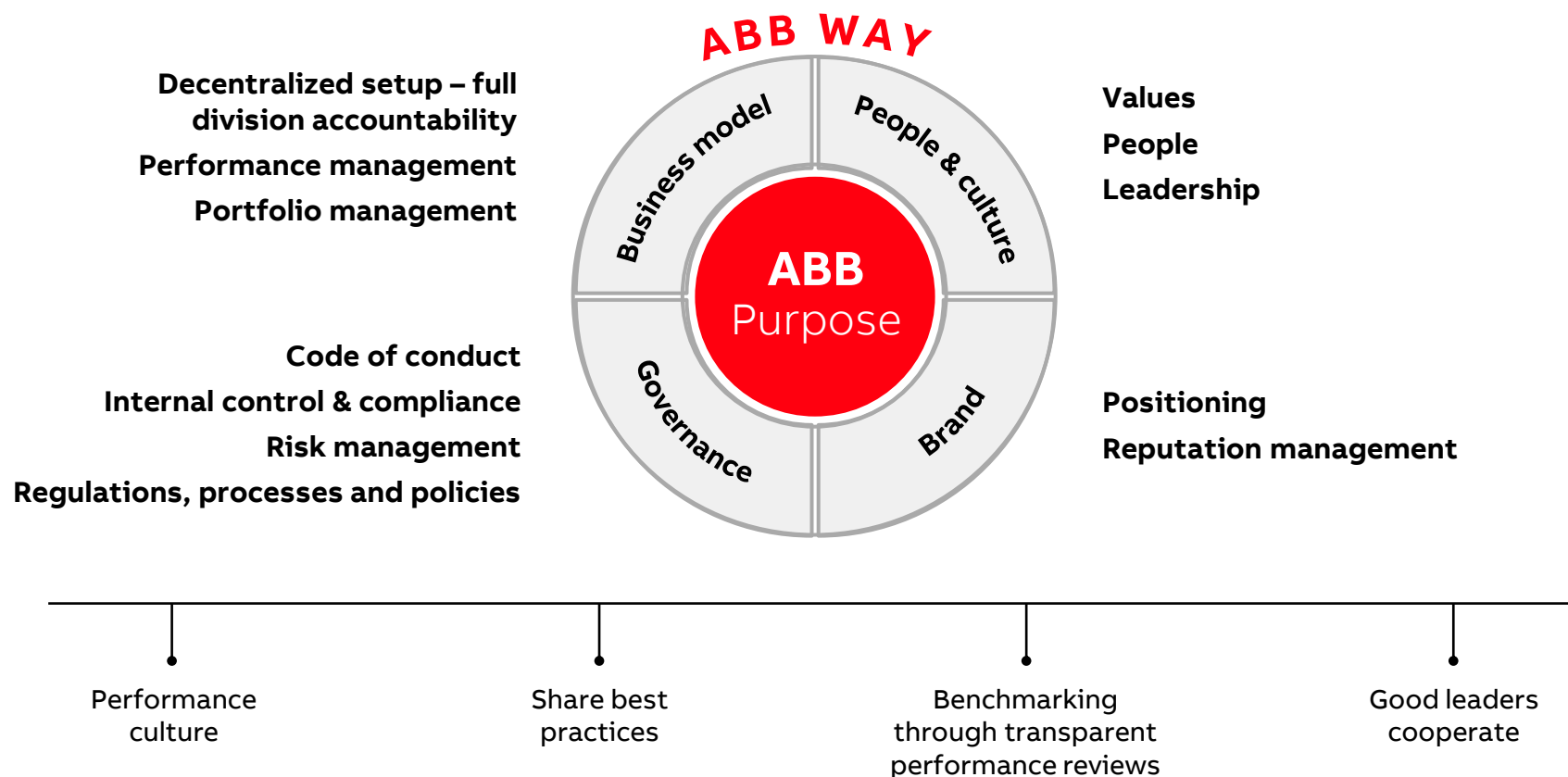
Strong
performance
management
system

Each business should
benefit from being part of
the ABB Group

Internal mantra of
“**good leaders cooperate**”.
Business leaders are
expected to find synergies
driving competitive
advantages

Remuneration system
supports cooperation

The ABB Way – the “glue” that unites our Group



Accountability, transparency and speed



Leveraging on
decentralized
operating
model



Select common
processes in
ABB Way



**Strong
performance
management
system**

Increased **transparency**

**Common scorecard
system** for all divisions
and business areas

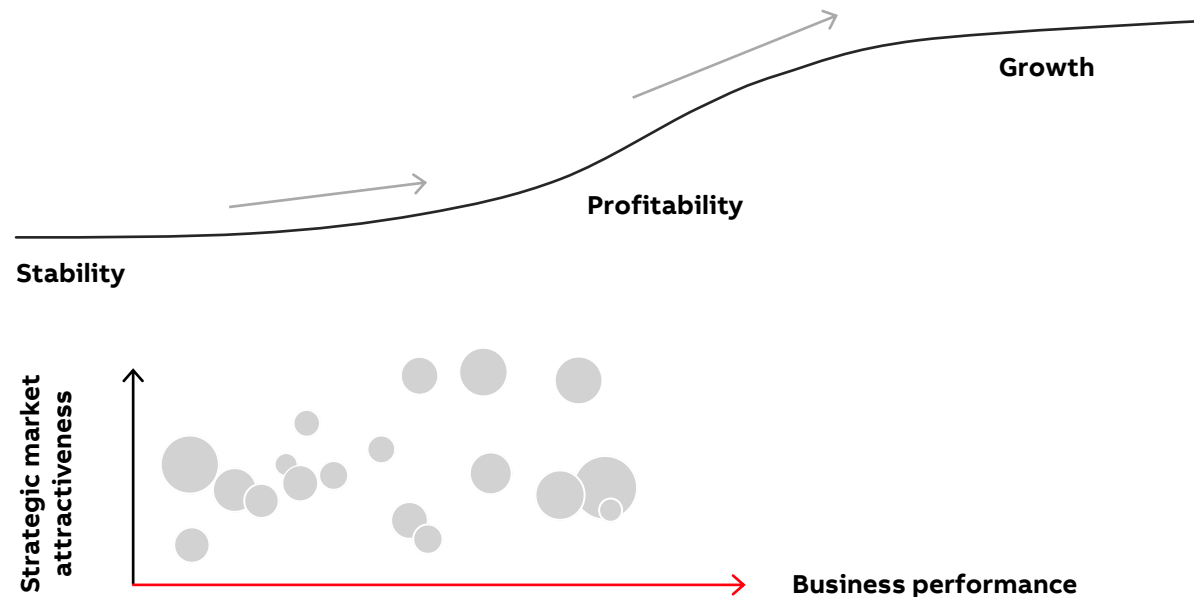
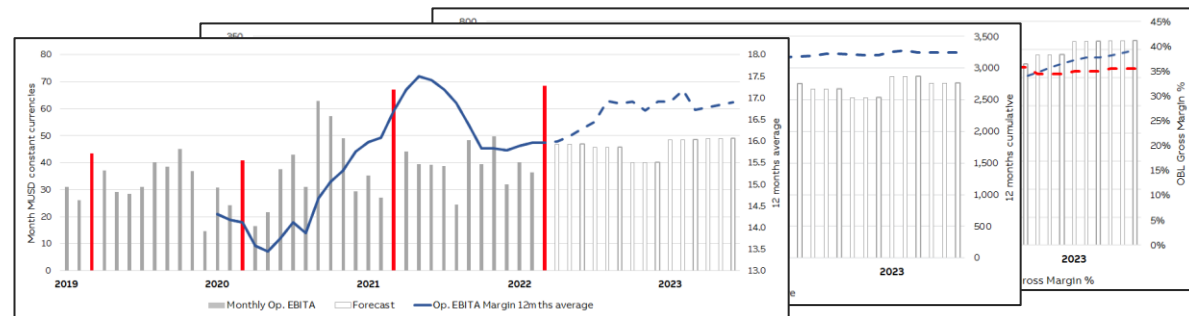
Clarity on performance
accountability

Transparency through performance management system

**Monthly standardized
scorecard system by
division**

**Divisional strategic
mandates**

**Systematic review of
business portfolio**





Increasing growth rates



**Reshaped
portfolio**



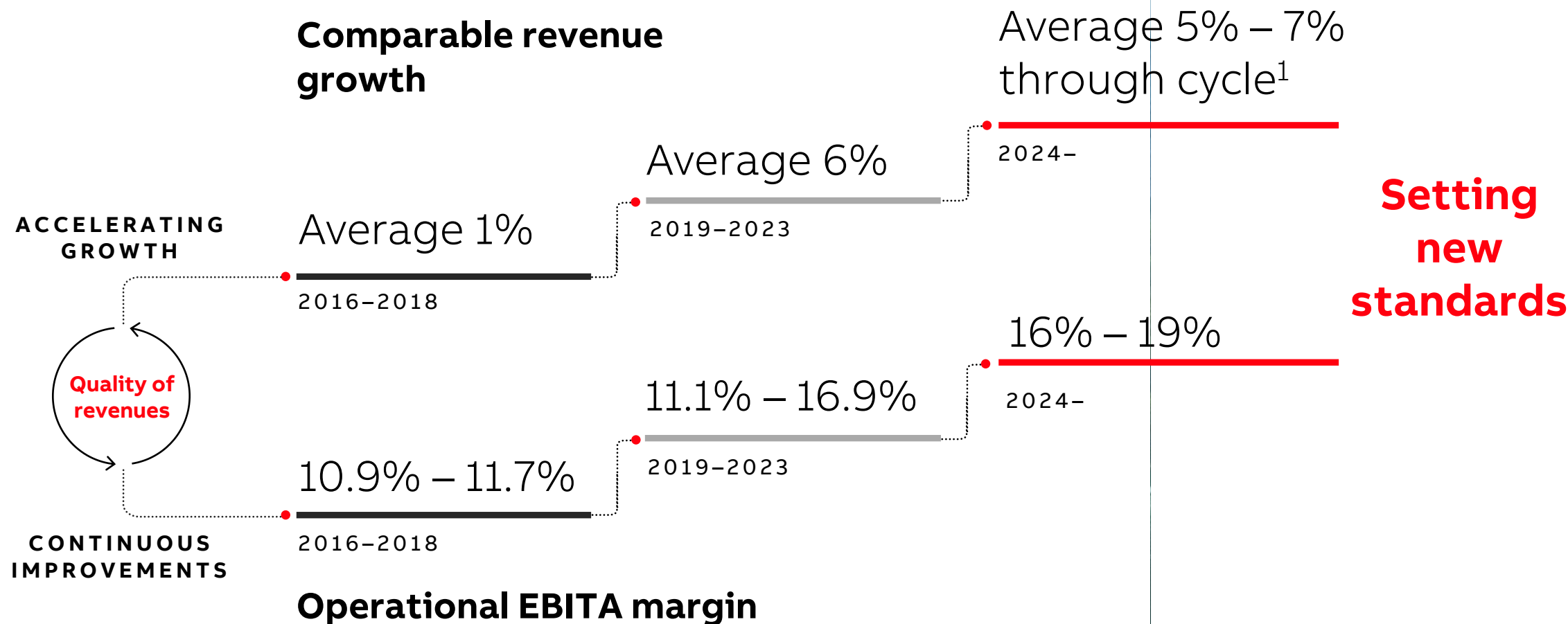
**Working in ABB Way
operating model**



**Accelerating
sustainability drivers**



Increasing ambitions and continuous improvements for growth and margin



As reported, i.e., business portfolio is not comparable over the historical periods 1. Excluding FX impacts, acquisitions and divestments

3

Increasing growth rates



Reshaped portfolio



Working in ABB Way operating model



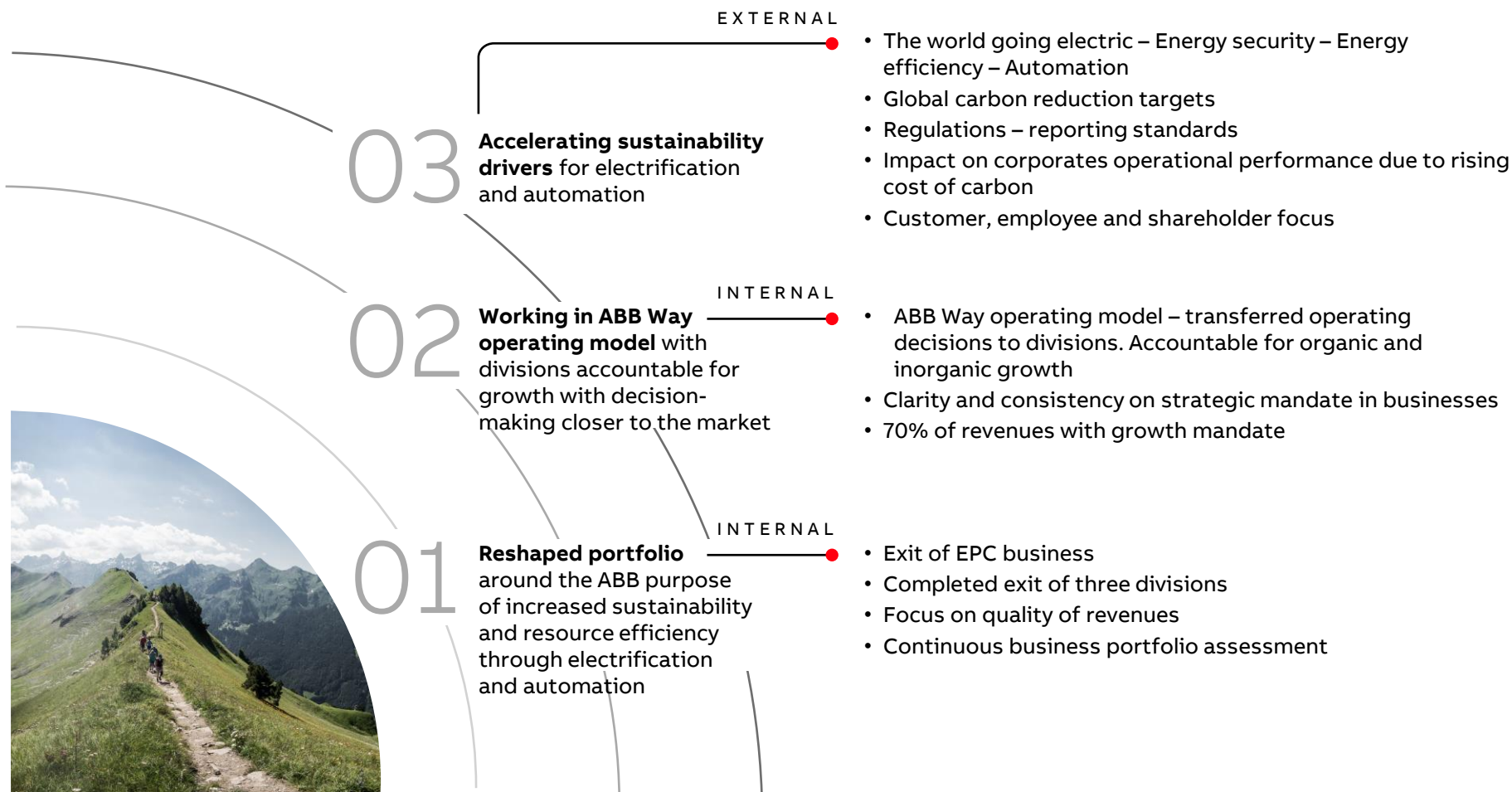
Accelerating sustainability drivers

Global No. 1–2 positions in segments with secular growth trends; electrification and automation

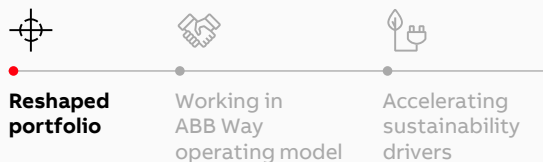
Organic growth investments driven by divisional needs

Divisions accountable for growth – both organic and acquired

Increasing revenue growth supported by three drivers



3 Increasing growth rates



Significant actions to **align business portfolio** to more attractive growth markets

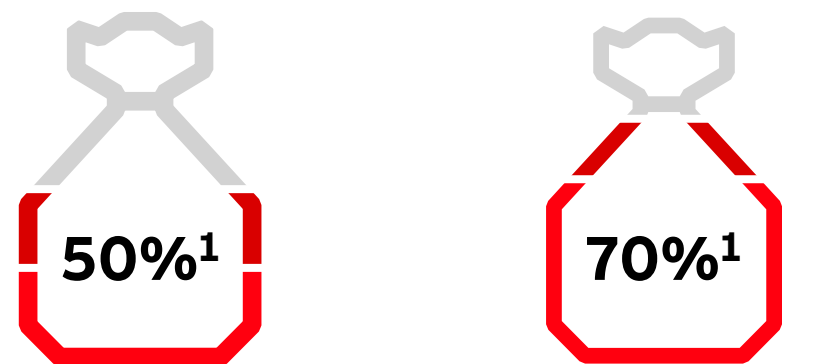
ABB businesses aligned with our **purpose of electrification and automation**

Reduced exposure to project business

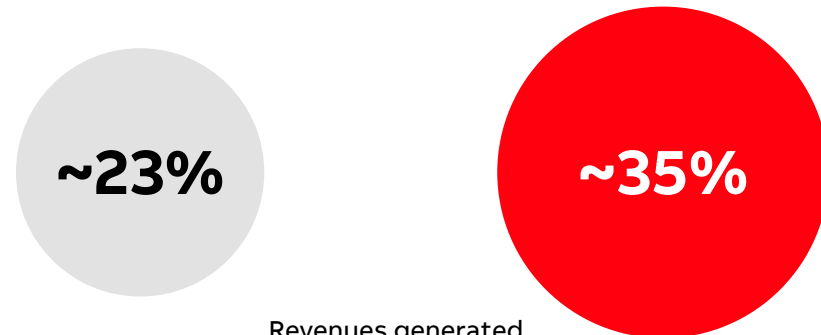
1. Management estimates 2. Includes Power Grids which is now excluded from continuing operations 3. Orders (excl. service) converting to revenues within three to six months

Improving quality of revenues

Higher profitability and lower earnings risk



2016² ■ Short-cycle³ ■ Service 2023



2016² Revenues generated through distributors 2023

Reshaped portfolio

- Exit of EPC business
- Completed exit of three divisions
- Focus on quality of revenues
- Continuous business portfolio assessment

Further solidifying strong channel partners

- 1 Digital tools for right product selection, ordering, installation and service
- 2 Inventory management and on time delivery
- 3 Continuous feedback loop
- 4 EcoSolutions labelling for sustainability transparency

• **Lead to better quality short cycle business**

3

Increasing growth rates



Reshaped portfolio



Working in ABB Way operating model



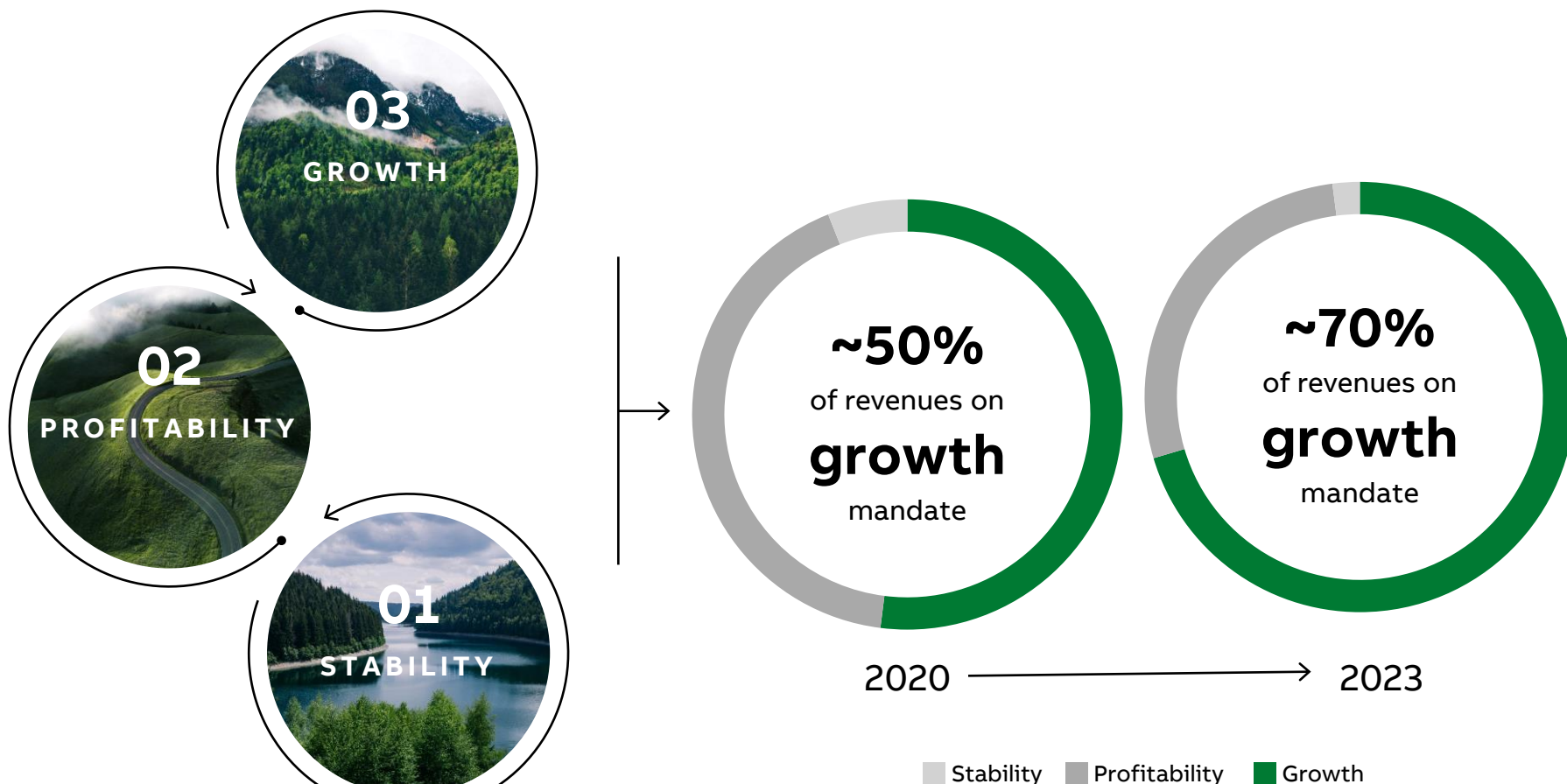
Accelerating sustainability drivers

Global No. 1–2 positions in sustainable growth segments; electrification and automation

Organic growth investments driven by divisional needs

Divisions accountable for growth – both organic and acquired

Transition of strategic mandates towards growth through the ABB Way operating model



3 Increasing growth rates



Reshaped portfolio



Working in ABB Way operating model



Accelerating sustainability drivers

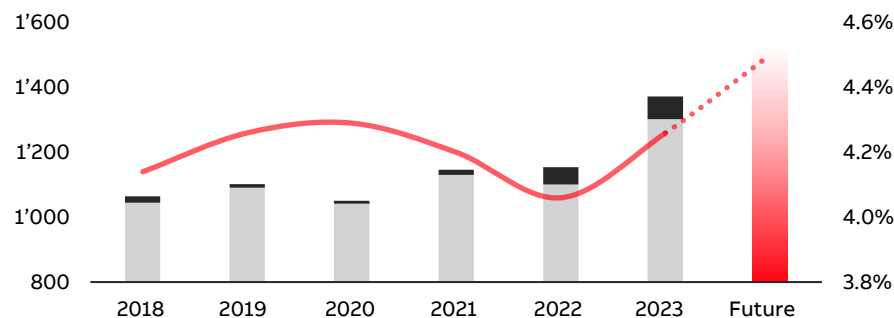
Each division responsible for its R&D to **hold or achieve a no. 1-2 market position**

Continued focus on Research & Development

Moving towards 5% of revenues

Investing proportionately more in R&D year-on-year than SG&A expense

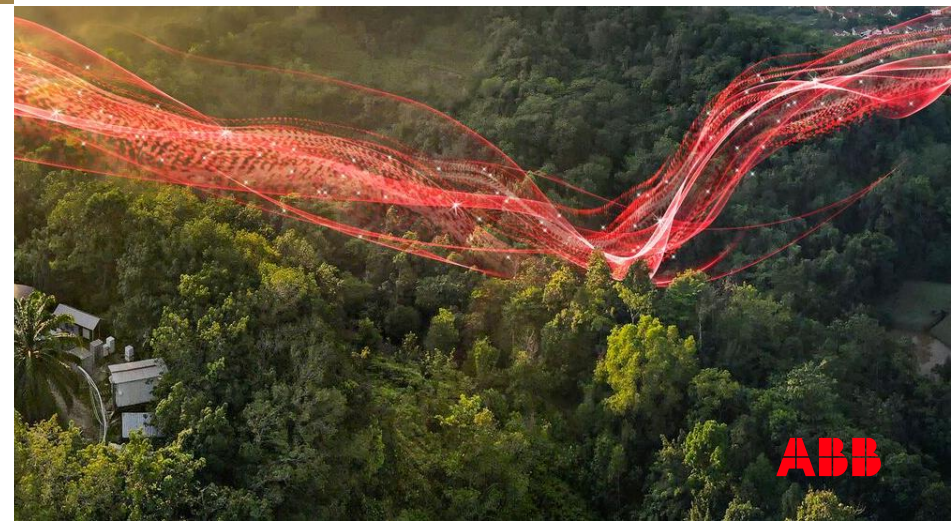
Different investment needs across divisions...



— R&D & Venture Investments as % of Rev
■ Non-order related R&D mn \$¹

■ Venture investments mn\$

1. Non-order related R&D excluding completed divisional exits



ABB

3

Increasing growth rates



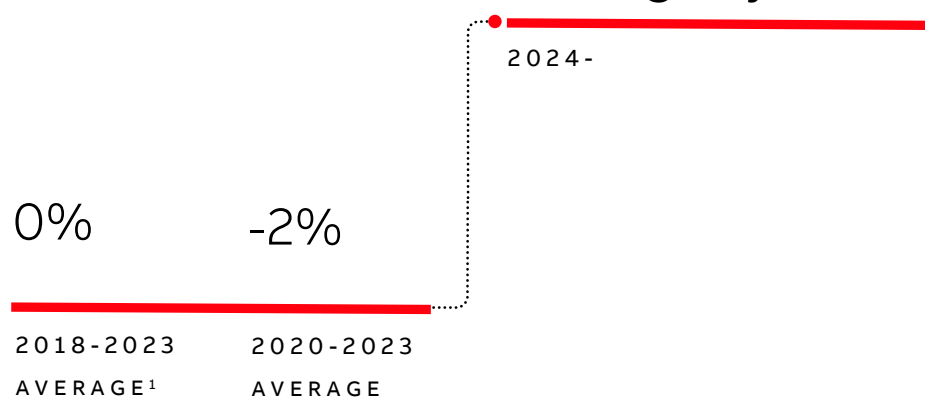
High pace of acquisitions; 5-10 small to mid-size bolt-on annually

M&A target pipeline in divisions, from earlier central corporate

All divisions acquire to **fill gaps in technology**, but only divisions with growth mandate consolidate the market

Divisions accountable for acquisition strategy

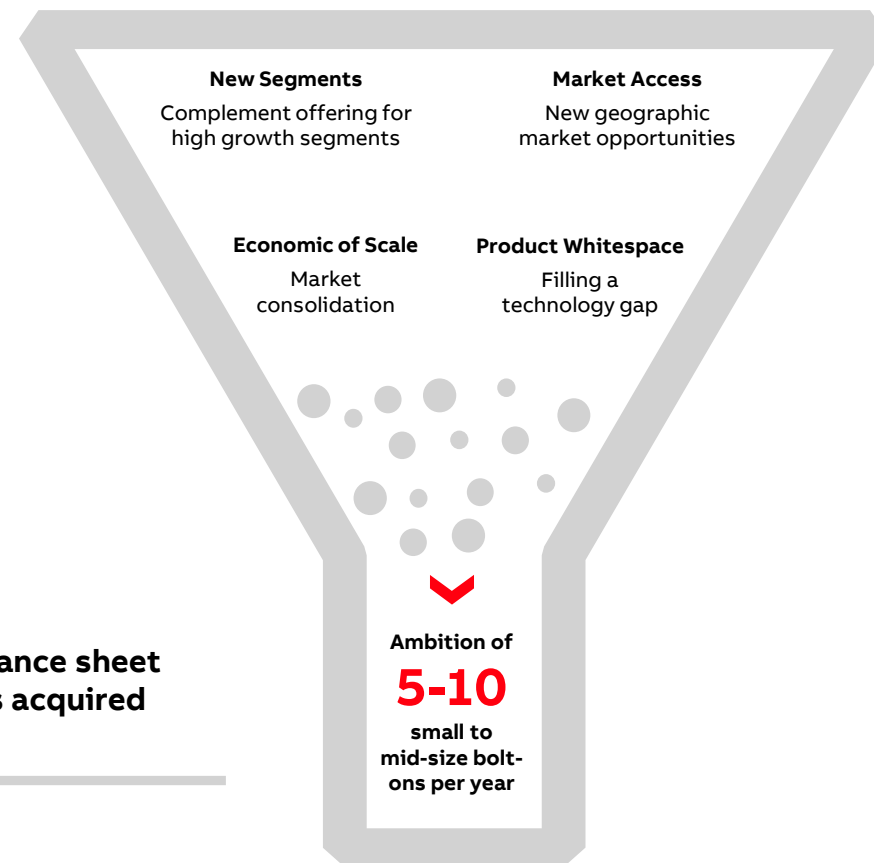
Target 1% – 2%² through cycle



Target is net of acquisitions and divestments

M&A resources now fully transferred to divisions

Solid balance sheet supports acquired growth



1. 2018 – 2023 excl. discontinued operations 2. Excl. transformational divestments of full Division or larger than 3% of Group revenues

3 Increasing growth rates



Reshaped portfolio



Working in ABB Way operating model



Accelerating sustainability drivers

Future proof market position, exposed to strong secular trends

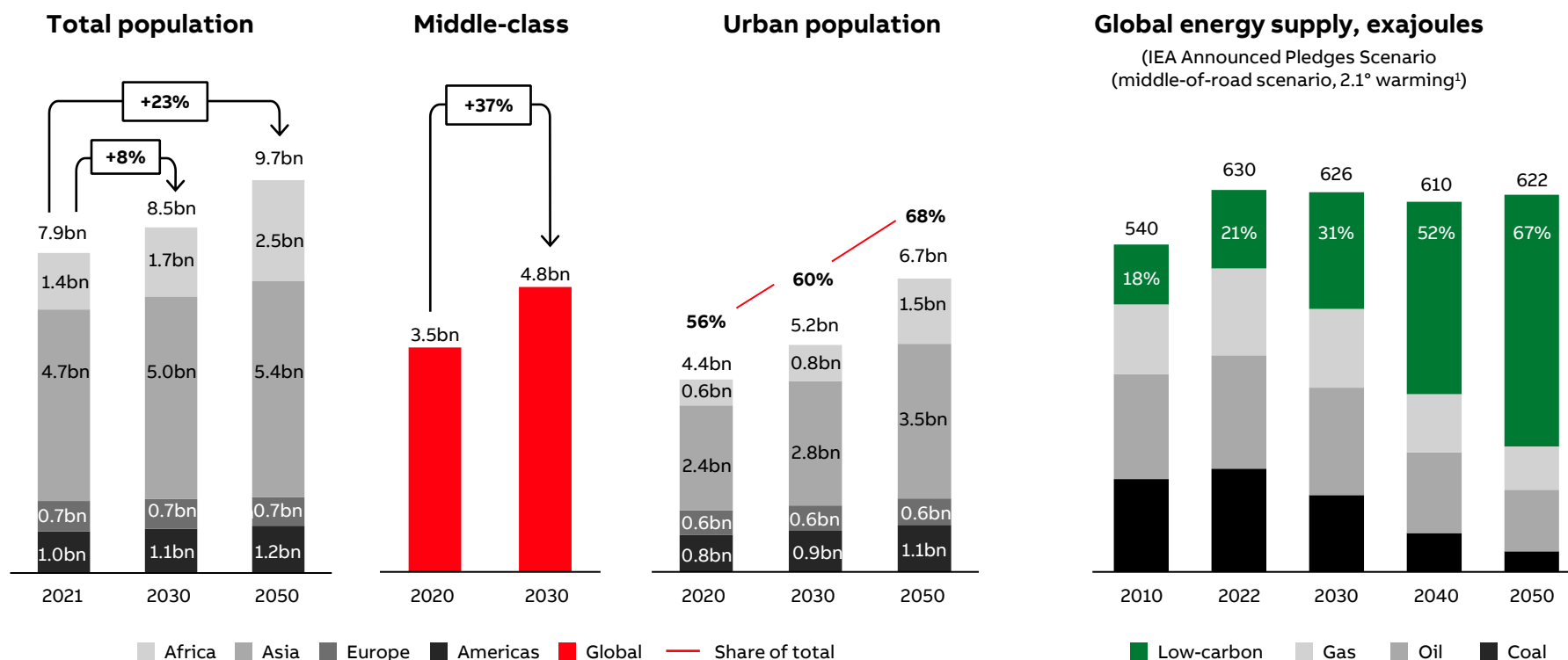
As a technology leader in electrification and automation, ABB is at the **core of accelerating the energy transition**

Every day, we empower customers across the globe to **optimize, electrify and decarbonize** their operations

Well positioned in a changing world

Growing population with rising expectations of higher standard of living...

...while the global agenda targets carbon footprint reduction



1. By 2100, 50% confidence interval Source: UN, Brookings; IEA World Energy Outlook, 2023, Announced Pledges Scenario

3

Increasing growth rates



Reshaped portfolio



Working in ABB Way operating model



Accelerating sustainability drivers

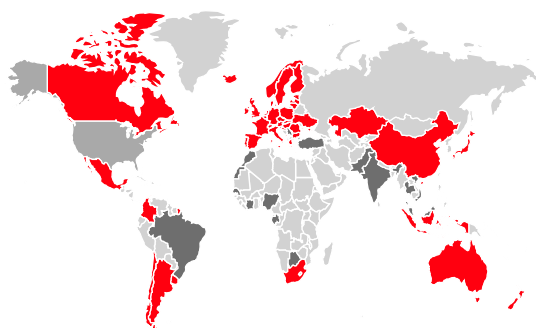
Strong anticipated growth in investments for low carbon energy supply and energy efficiency

Adoption of carbon pricing as a tool to drive green investments

Carbon pricing to become a key tool for regulators to **accelerate investments** in low carbon and energy efficient solutions

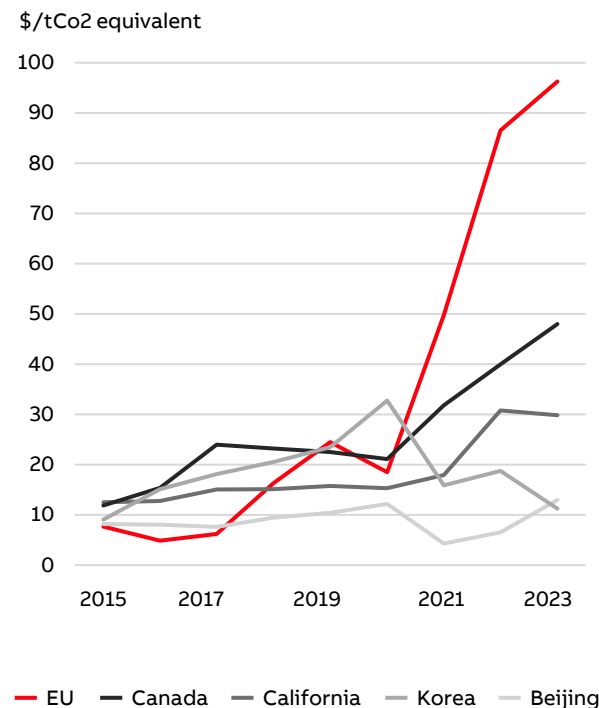
Rising cost of carbon puts spotlight on low carbon solutions

Carbon pricing is spreading globally and already covering several large economies

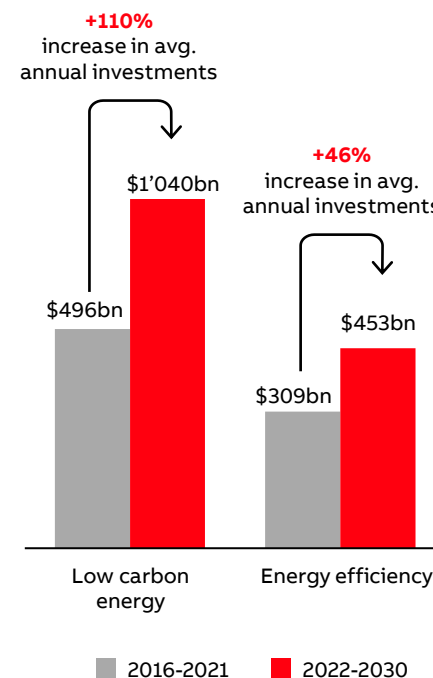


- Carbon market/tax implemented
- Carbon market/tax on sub-national level
- Carbon market/tax considered

Rising cost of carbon



Strong growth in annual investments in low carbon energy supply and energy efficiency



3 Increasing growth rates



Reshaped portfolio



Working in ABB Way operating model



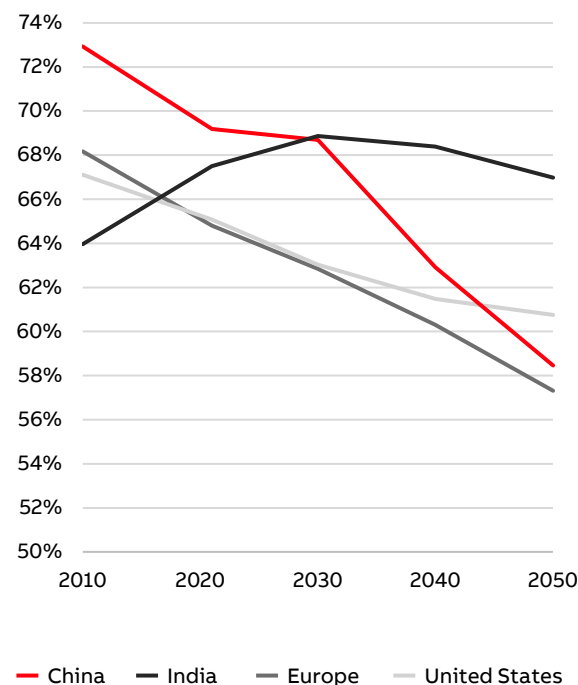
Accelerating sustainability drivers

More efficient and flexible manufacturing solutions needed due to shrinking and increasingly expensive labor force

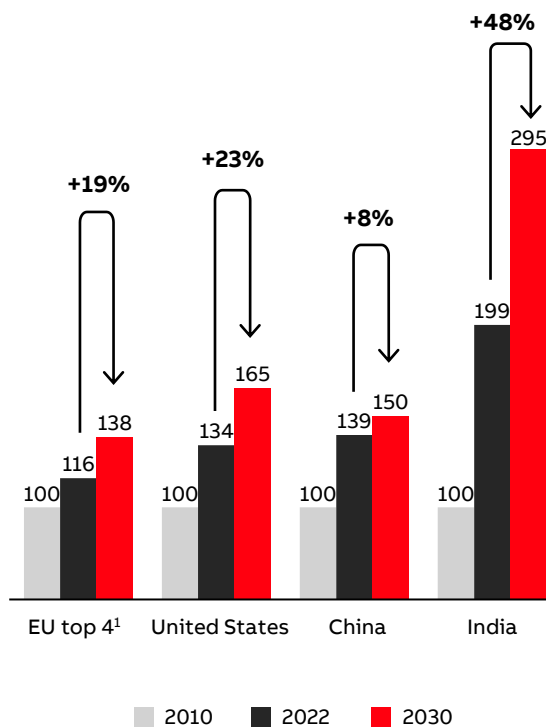
Automation needed to remain able and efficient

Labor force is shrinking and increasingly expensive

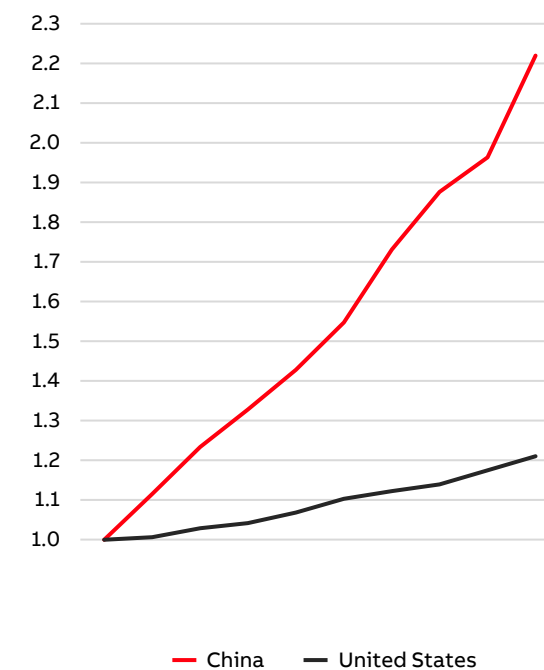
Share of working age population (15-64) in selected countries/regions



Unit labor cost index (LCU, 2010 = 100) in selected countries/regions



Cost of manufacturing labor (2012-2021, indexed to 2012)

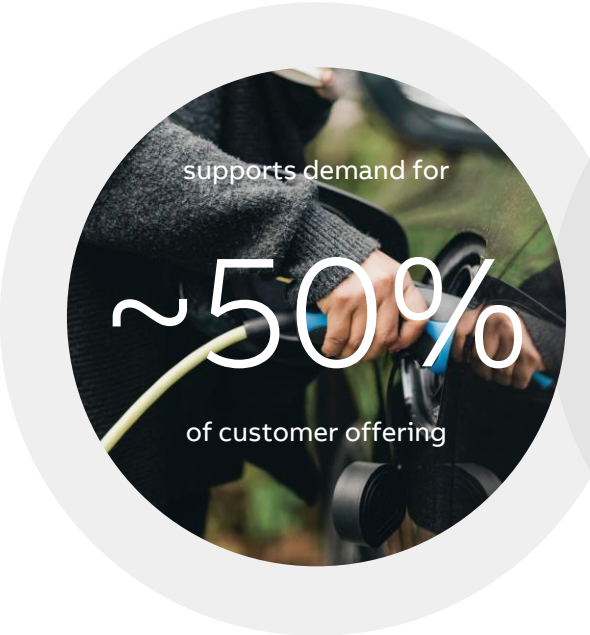


1. EU top 4 = Germany, France, Italy, Spain Source: UN Population Prospects 2022, S&P Global

ABB purpose aligned with secular trends

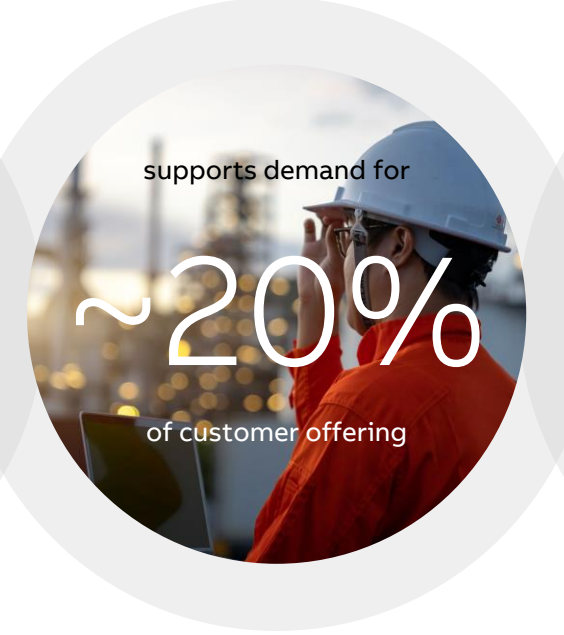
Businesses exposed to several secular trends

Electrification - the world
going electric



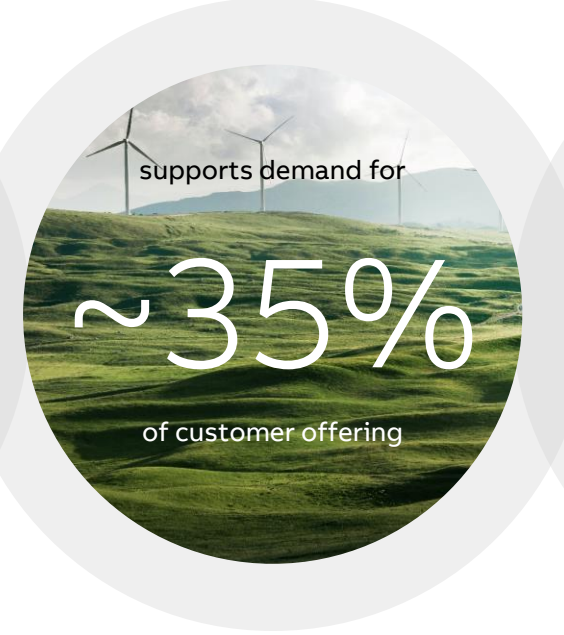
EL +++ PA ++ MO + RA +

Energy security



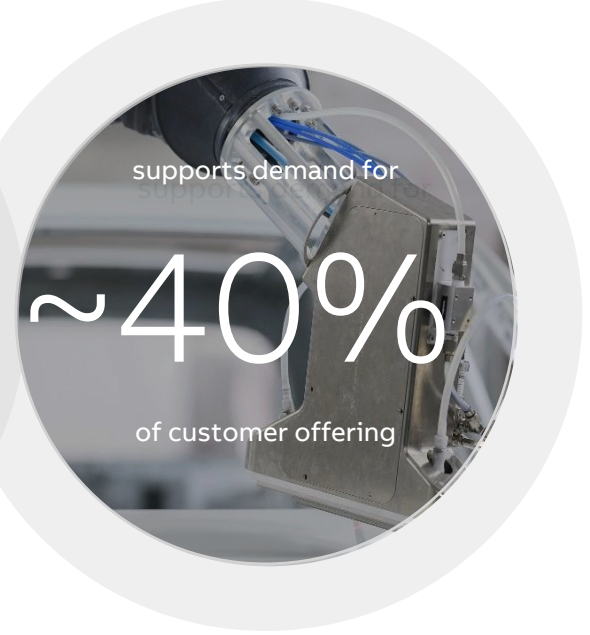
EL ++ PA ++ MO +

Emission reduction,
energy efficiency



MO +++ PA ++ EL ++

Automation



RA +++ PA +++ MO + EL +

Visual for
relative BA
exposure

% is management estimate +++ is >60% of rev, ++ is 25% - 60% of rev, + is 1% - 25% of rev

Future proof

ABB purpose and customer offering aligned with secular trends

More electricity

Electricity demand growing **>10x** faster than other energy sources in 2022-2030, resulting in **~50%** higher average annual investment into electricity networks in 2023 – 2030 (vs 2016 – 2022)¹

Higher energy-efficiency

~45% of the world's electricity is converted into motion by electric motors yet only **~23%** of the world's electric motors are optimized through the control of drives

New energy sources

Share of low-carbon sources in global energy mix to increase **+50%** – points from ~20% today to ~70% in 2050¹

Shrinking labor force

Global number of working age people (15 to 64 years) per retiree (65 years or over) to fall by **~20%** over next 10 years²

1. IEA World Energy Outlook 2023, Announced Pledges Scenario

2. United Nations World Population Prospects 2022

ABB

Our purpose

→ We enable a more sustainable and resource-efficient future with our technology leadership in electrification and automation

Our offering supports customers to:

← Reduce waste and increase circularity

← Reduce carbon intensity

← Increase labor productivity

← Increase energy efficiency

← Increase flexibility

← Reduce footprint

← Reduce downtime

← Increase safety and improve working environment

Improving performance



**Financial
targets**



**Cementing higher
margin levels**



**Rising
ROCE**



**Strong cash
flow**



**Strong
balance
sheet**



**Sustainability
targets**



**Progress towards
sustainability
targets**



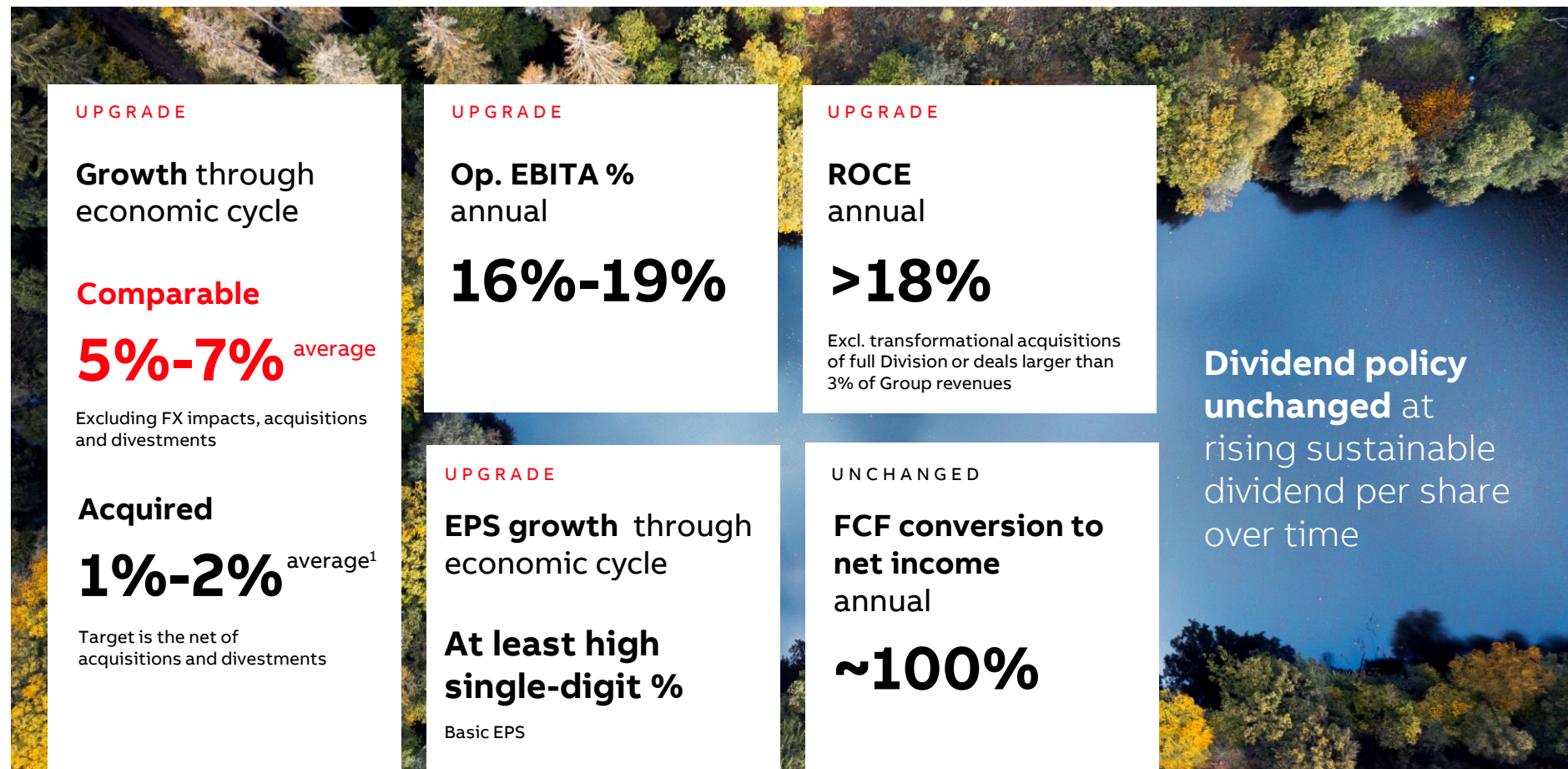
4

Improving performance

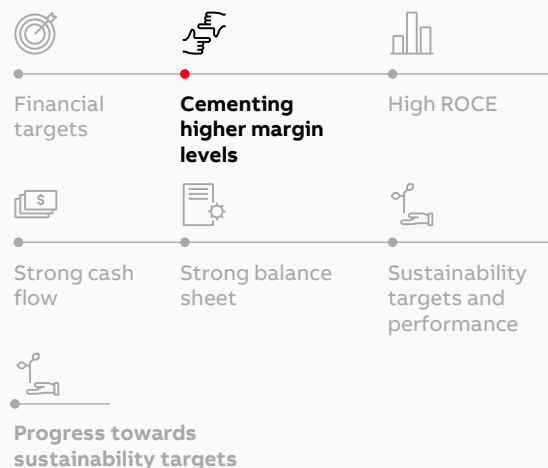


1. Calculated to exclude FX impacts and transformational acquisition and divestments, includes bolt-on acquisitions and divestments within divisions

Financial target framework



4 Improving performance



Continuous improvements of Operational EBITA margin within target range

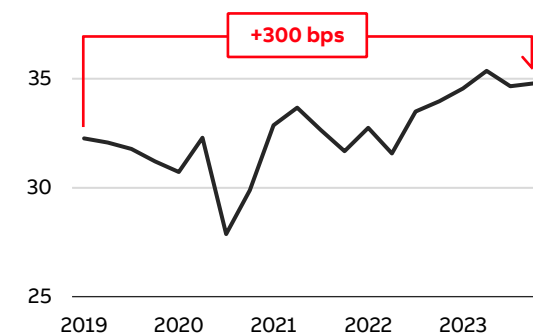
Gross margin improvement

- 1 Full **accountability** of the P&L at the division level facilitates higher **speed** in decision making including for further manufacturing excellence
- 2 Investing in systems and tools for further transparency and analysis of variable cost items
- 3 Changed construct of productivity KPI to gross profit/FTE (from revenues)

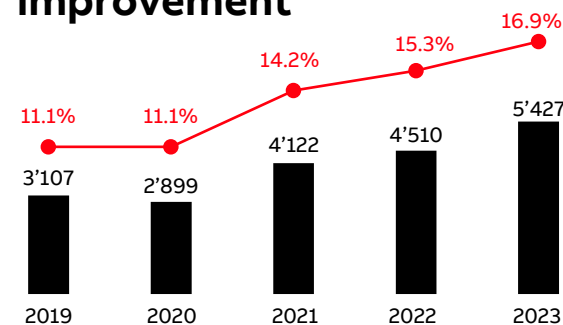
Target: 3-5% p.a.



Revenues, gross margin



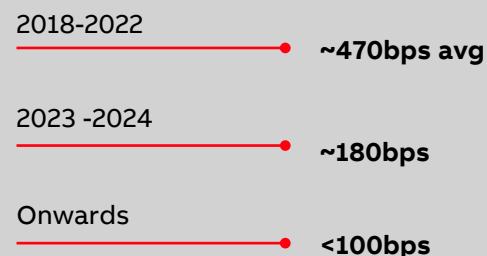
Op. EBITA margin improvement



Op. EBITA, \$ mn

Target less than 100bps variance between Op. EBITA and EBITA margin as from 2025

Variance between Op. EBITA and EBIT



Targeting...

Op. EBITA margin (annual)

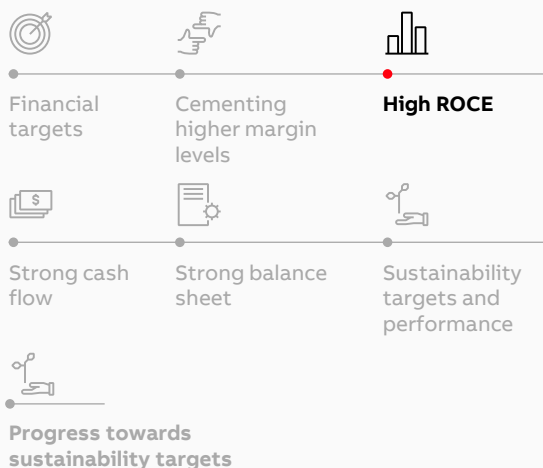
16%-19%

EPS growth

At least **high single digit growth** through cycle

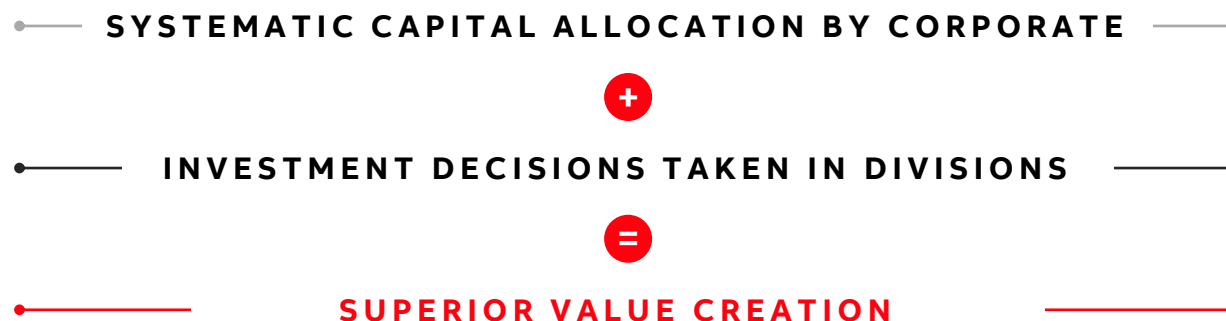
AND

4 Improving performance



2022 and 2023 improvement driven by **higher Operational EBITA**

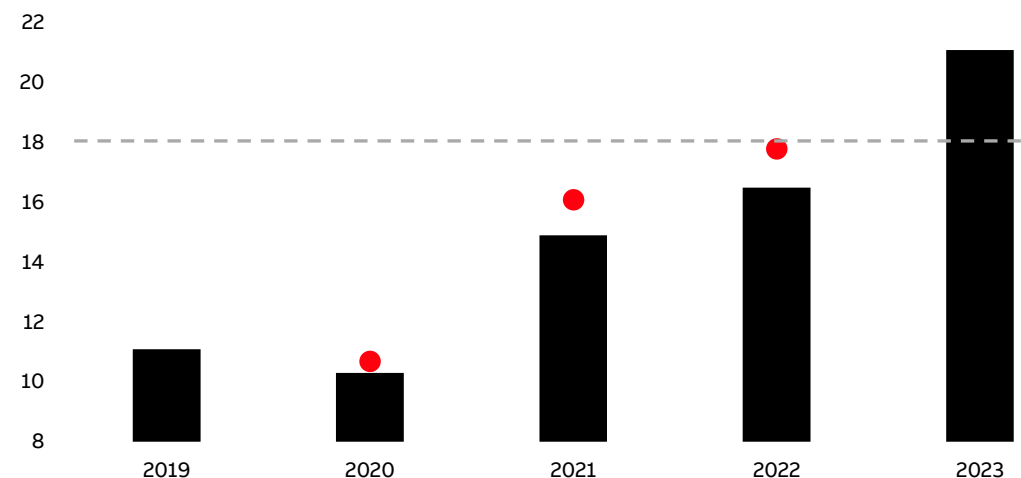
Strong Return on Capital Employed



ROCE, annual

>18%

Excl. transformational acquisitions of full Business Area or Division or larger than 3% of Group revenues



● Excluding impact of PG JV ownership interest

■ ROCE

--- Target range >18%



So far, ROCE increase driven by margin improvement...



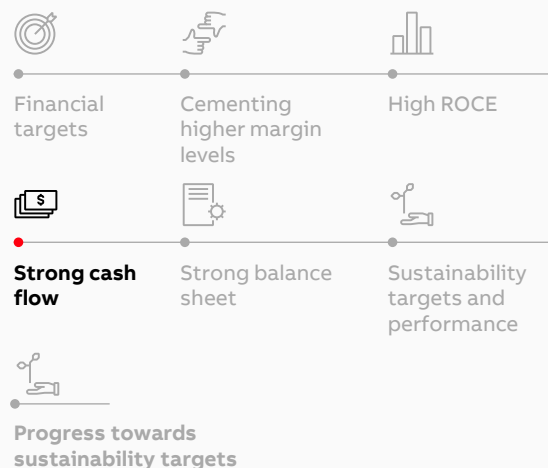
...going forward, increased focus on return on capital, incl. in incentives



Goodwill now carried by the acquiring division

4

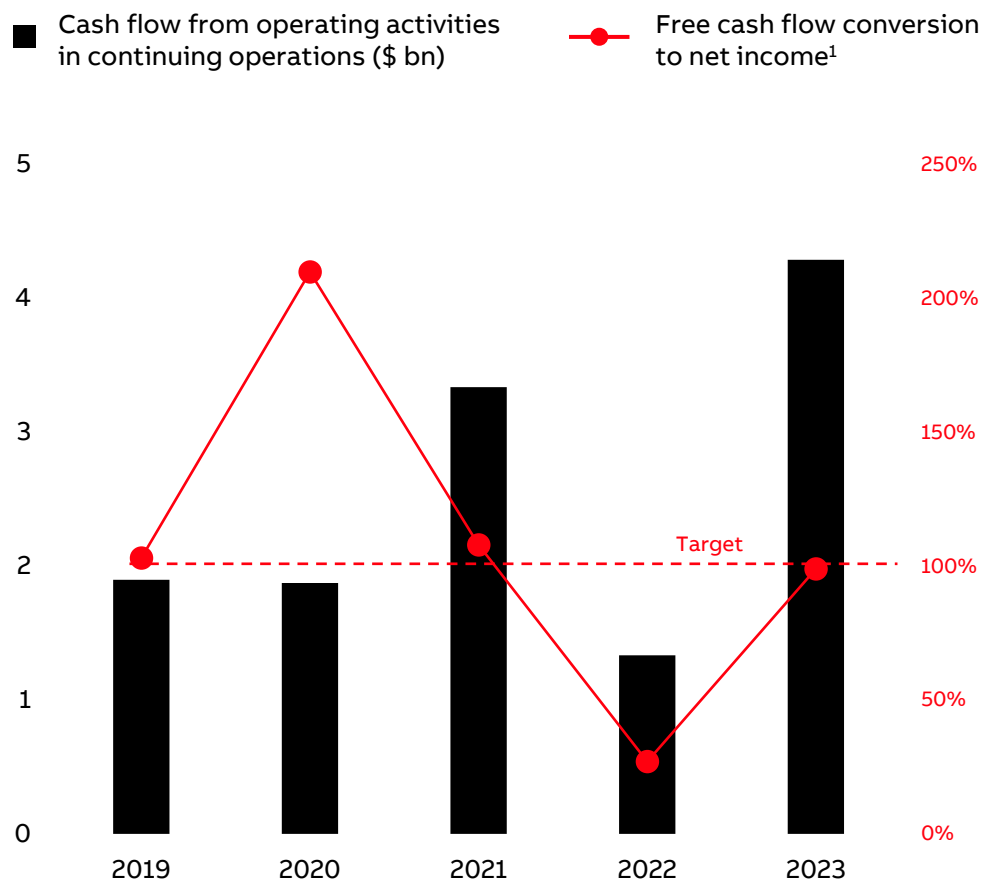
Improving performance



Cash flow improvement due to better operational performance, working down net working capital and less adverse items impacting comparability

1. Amount represents total for both continuing and discontinued operations

Focus on cash flow



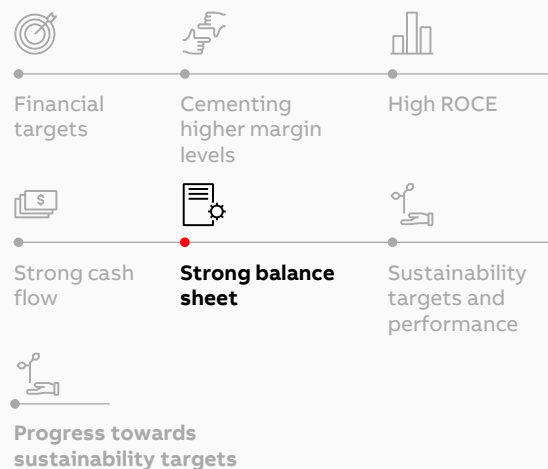
Cash drivers

- **Improved profitability** from businesses with profitability mandate
- **Profitable growth** from businesses with growth mandate
- **Strong focus on cash conversion** and net working capital
- **Fewer non-recurring items**
- **Steady capex profile**

~100% FCF conversion to net income

4

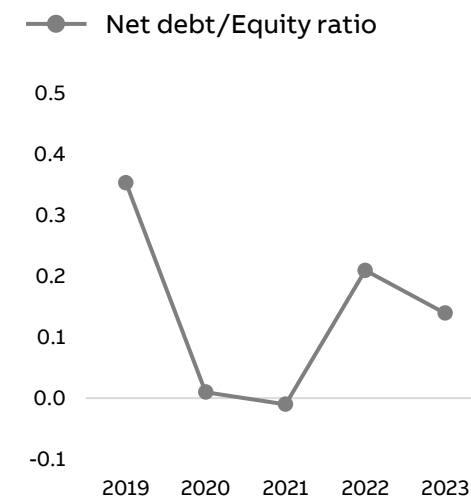
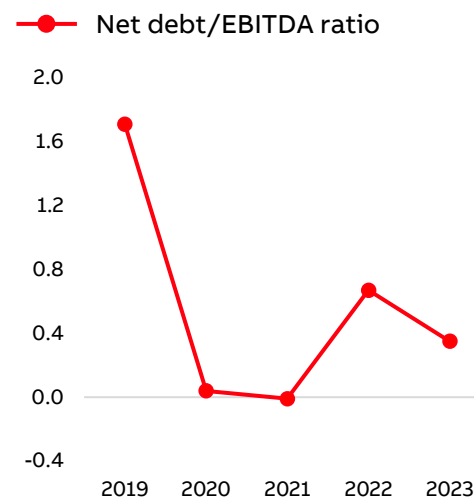
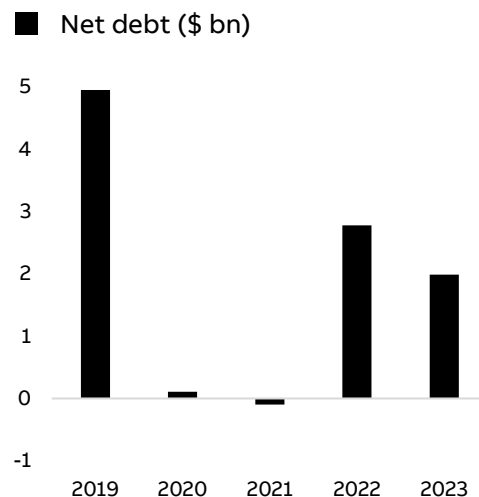
Improving performance



Strong balance sheet on the back of improved operational performance and active portfolio management

Headroom for acquisitions

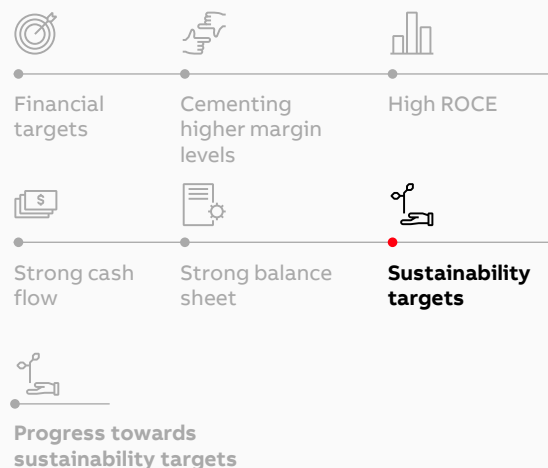
Strong balance sheet



Long-term target credit rating of at least
strong investment grade
Current rating of **A/A2**

4

Improving performance



Enabling a net zero world while achieving higher growth and higher returns through the economic cycle

Reinforced and accelerated sustainability agenda

Aligned with recognized international frameworks

Upgraded in 2023



Net-Zero targets

- Scopes 1, 2 & 3
- 2030 & 2050



600Mt avoided CO₂e emissions ambition

- Aligned with WBCSD 2023 guidance
- By 2030

We enable a low-carbon society

- Reduce emissions in own operations by **80% and achieve carbon neutrality** (with offsets)
- Support our customers in **reducing annual CO₂ emissions by >100 Mt¹**
- **50% reduction in emissions of tier-one suppliers** (70% of procurement spending)

We preserve resources

- **80% of ABB products & solutions covered by circularity approach**
- **Zero waste to landfill** from own operations wherever possible

We promote social progress

- Zero harm to our people and contractors
- 25% women in senior management roles
- Top-tier employee engagement score in our industry
- Impactful support for community-building initiatives

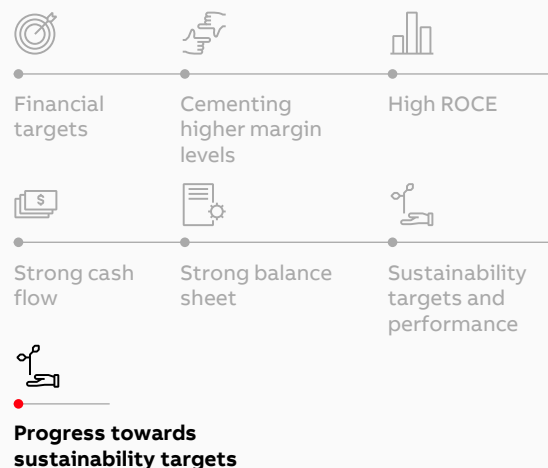
ABB Way

Sustainability embedded throughout the business

Board of Directors | Executive Committee
Sustainability Council | Division-level implementation



4 Improving performance



Enabling a net zero world while achieving higher growth and higher returns through the economic cycle

Reinforced and accelerated sustainability agenda

Aligned with recognized international frameworks

ENABLING A LOW-CARBON SOCIETY

Reduce own scope 1 and 2 CO₂e emissions by 80% by 2030

Reduce scope 3 CO₂e emissions by 25% by 2030

Ambition to avoid emissions throughout lifetime of products sold between 2022 and 2030

PRESERVING RESOURCES

Cover at least 80% of ABB's portfolio of products and solutions with our Circularity Approach by 2030

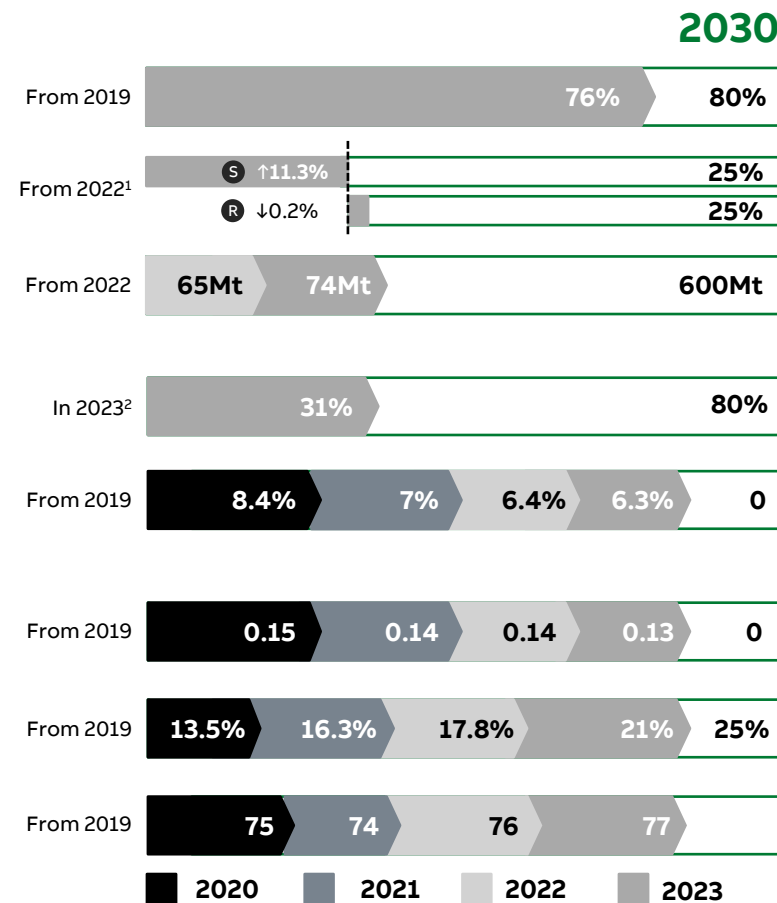
Send zero waste to landfill while reducing waste generation by 2030

PROMOTING SOCIAL PROGRESS

Zero harm to our people and contractors – we aim for a gradual reduction in lost time from incidents

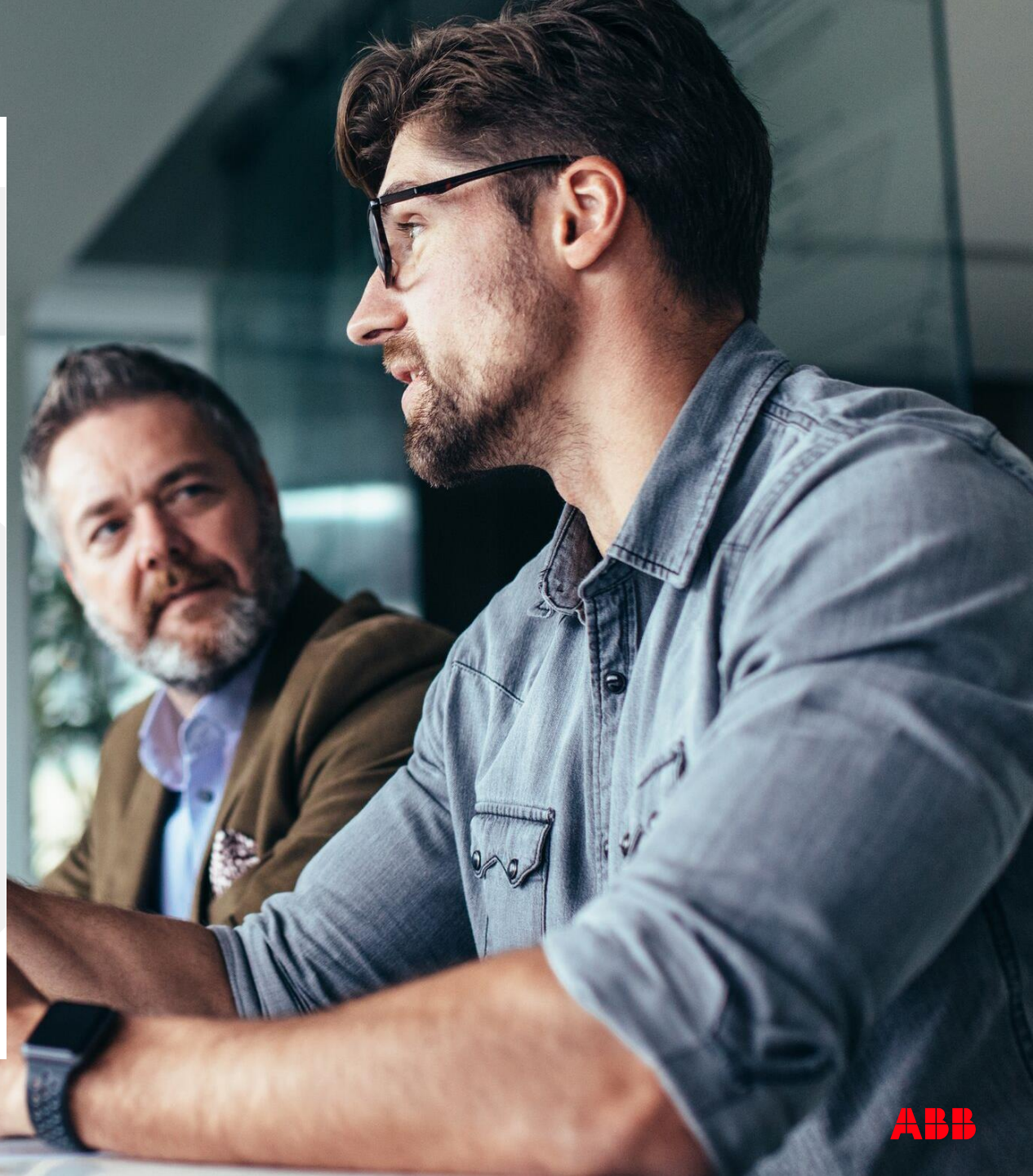
Increase proportion of women in senior management roles to 25% by 2030

Achieve a top-tier employee engagement score



- 1. S Strict:** Absolute emissions increase considering energy input. Strict scenario resulted in a 11.3% absolute increase versus the 2030 target of a 25% reduction. **R Representative:** Absolute emissions decrease considering energy losses. Representative scenario resulted in a 0.2% absolute decrease versus the 2030 target of 25% reduction.
- 2.** Portfolio assessed through Circularity Approach

Rewarding shareholders



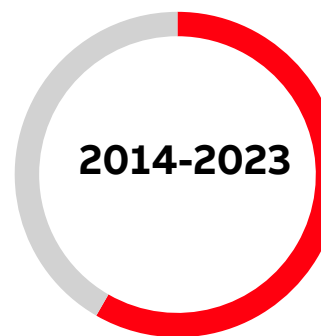
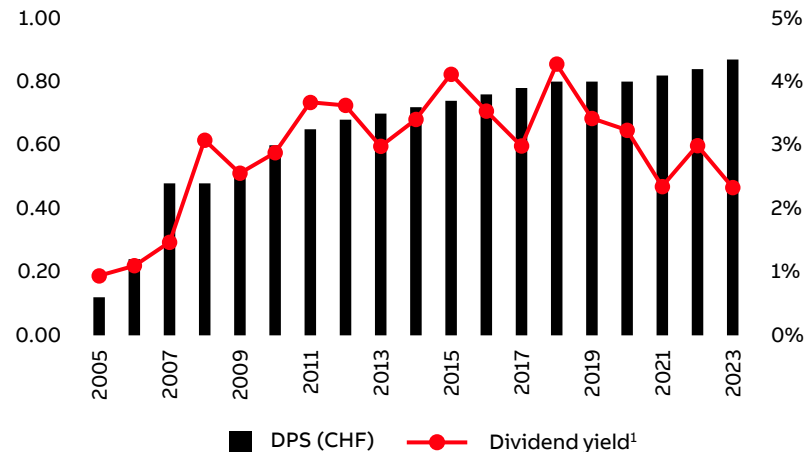
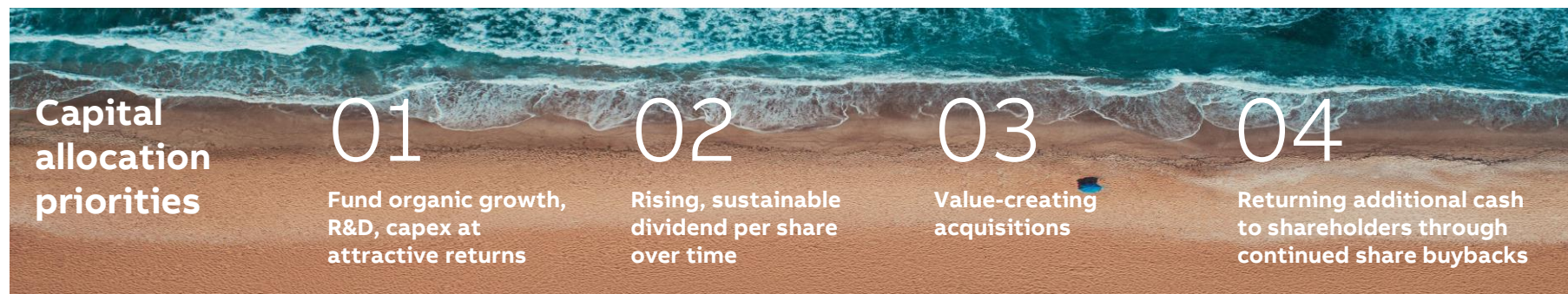
Rewarding shareholders

Strong balance sheet allows for solid cash distribution as well as organic and acquired growth

Profile of **steady annual increase** in dividend

Expect to **continue to utilize share buybacks** as a mean to return excess cash to shareholders

Dividends and share buybacks



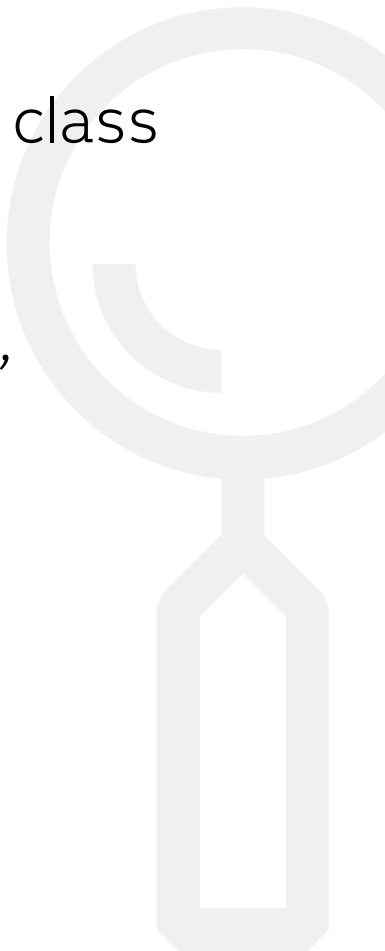
>\$29 bn cash returned to shareholders over last 10 years

■ Dividends \$17 bn
■ Buybacks \$12 bn

Committed to a rising sustainable dividend per share over time

Excess cash returned to shareholders through share buybacks
Ongoing buyback program of up to \$1 billion

1. Calculated based on the share price on December 31

- 
1. Market leader with world class technology
 2. ABB Way – accountability, transparency and speed
 3. Increasing growth rates
 4. Improving performance
 5. Rewarding shareholders

We enable a more sustainable and resource-efficient future with our technology leadership in electrification and automation

Important notices

This presentation includes forward-looking information and statements including statements concerning the outlook for our businesses.

These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, and the economic conditions of the regions and industries that are major markets for ABB Ltd.

These expectations, estimates and projections are generally identifiable by statements containing words such as “expects,” “believes,” “estimates,” “targets,” “plans,” “outlook,” “on track,” “framework” or similar expressions.

There are numerous risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this presentation and which could affect our ability to achieve any or all of our stated targets.

The important factors that could cause such differences include, among others:

- Business risks associated with the volatile global economic environment and political conditions
- Costs associated with compliance activities
- Market acceptance of new products and services
- Changes in governmental regulations and currency exchange rates, and
- Such other factors as may be discussed from time to time in ABB Ltd’s filings with the US Securities and Exchange Commission, including its Annual Reports on Form 20-F.

Although ABB Ltd believes that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, **it can give no assurance that those expectations will be achieved.**

This presentation contains non-GAAP measures of performance. Definitions of these measures and reconciliations between these measures and their US GAAP counterparts can be found on our website – link below.

[LINK](#)

ABB